

Statement Of
Kim Nichols
Special Committee on Aging
“876-SCAM: Jamaican Phone Fraud Targeting Seniors.”

March 13, 2013

Good afternoon and thank you members of the Senate Committee on Aging, Chairman Nelson, and Senator Collins for making it possible for me to be here today to tell you about my father, Bill and the ordeal he had last year with the Jamaican Lottery Scam.

My name is Kim Nichols and I am here today as a wife, mother of twin boys, teacher and daughter of a man who a little over a year ago, I would have told you would never, ever be the victim of a scam, of any kind. Unfortunately today, I sit here and tell you that now he is a victim, a victim of an incredibly cruel scam that preyed on his kind, generous and trusting nature and the fact that he lived alone.

Somewhere around early January of last year, my dad received an 876 area code phone call from a man who claimed to be from Publishers Clearing House. He congratulated my dad and told him that he'd won a car, and a large sum of money. He assured him that this was real and that he would just need to pay a \$500 transfer fee to have the vehicle shipped to him. When he expressed doubt, he was again reassured and congratulated. Following this phone call were several other calls from people claiming to be from the Nevada Lottery Commissioner's Office and the Better Business Bureau further reassuring him that this was legitimate and also offering their congratulations. At some point during one of these calls my father began to allow himself to be convinced and to think about what he would do with the car and the money. He began to think of the people in his family that he could help with the money.

At some point not long after that initial few calls, a woman named Diane called and spoke kindly to my dad and began to ask him questions about what he would do with the money. She befriended him and began to build a friendship over the phone with him. He liked talking to her and started to trust her. She said that she was the secretary to the CEO of Mega Buck, the company that handles the prizes

for Publishers Clearing House. She began to give my dad instructions on where and who to send the money to. At this point, we did not know about the scam or that it was going on. My dad was told not to tell anyone in his family. He was to let it be a surprise. He began receiving calls from other men claiming to work for this company. He was asked to send checks and call in Green Dot money pak pin numbers to various names of people in various states. The phone calls became more frequent, more persistent, more intimidating. Less and less did my dad like talking to the men on the phone. He preferred to talk to Diane, all along with the promise of the prizes just around the corner.

At some point last January, I heard about a scam on a local news report. They would target seniors with the lure of a car and a large check that they'd supposedly won. At my house, we had been getting calls from 876 numbers, sometimes 15 a day from people looking for a woman named Agnes Nichols who had gotten a pay roll advance or who had a warrant out for her social security number. I had even called our local police department about these calls. I wondered if maybe my dad had been getting them, too. He had sounded a little more stressed than usual lately, so I told him about the scam in the news reports. I asked if he'd gotten any calls. He was quiet and then evasive. When pressed, he admitted that he'd been called and promised a car but that he had already taken care of it and that he'd gotten his deposit back from them. He promised me that it was over and it was taken care of but wouldn't offer any more details and quickly changed the subject.

I regularly asked my dad if he was getting calls and he always quickly dismissed my questions and assured me that everything was alright. It was not. In April I was to go to my dad's and help him while he had some surgery. I noticed that he seemed under a lot of stress. I figured he was nervous about the surgery. I tried to reach him on April 6th or 7th and wasn't able to. His number was no longer in service. I couldn't figure out why that would happen. After frantically trying to reach him without success, he contacted me using his cell phone and said that someone had changed his number without his permission. This made no sense to me. When I asked who would do that, he said that he thought it might be, "that FBI guy." He said, "maybe I shouldn't have trusted him. "I told him that I would contact FairPoint Communications, his phone company and find out what was going on. I was put in touch with their security team and was told that this was likely part of the scam. They explained that had the number changed so that only

they could reach him. That was horrifying to me. I really didn't understand what they were trying to explain to me. I told them that he wanted his number changed back. They recommended changing it to a new number but my dad insisted it go back to the original number.

I arrived at my dad's house late the night before his surgery and we left early the next morning. When we returned 2 days later, I noticed that his phone was ringing a lot and that he seemed very agitated by the calls. He tried to take the calls alone so that I was not in the room or he would go in the bathroom and close the door to talk. The calls became more frequent and he would not let me answer them. When I asked him what was going on, he wouldn't explain it. He began getting frustrated with the people calling and told them that he had just had surgery and couldn't get to Walmart or to the bank. I quickly figured that he must be talking to the scammers. When I tried to answer the phone, they would hang up or he wouldn't let me get to it. He would yell at them and tell them that he only wanted to talk to Diane. Of course, a few minutes later, Diane would call and he would calm down. She would apparently reassure him that he didn't need to do anything that day and that he needed to rest. He appreciated this calmer tone from her. When I asked to talk to her and let her explain this whole thing to me, he gladly handed the phone over. She told me the same story she had told Dad. When I questioned it, she was calm and seemingly professional. When I told her that it was a scam, and that I wanted her and all of them to stop calling my dad, she tried to assure me that it was the real deal. I hung up the phone. My dad proceeded to call her back even as I was pleading with him to realize that he'd been duped. When I asked why he would want to call her back, he said he needed to thank her for taking the time to talk to me and to apologize for my hanging up!

This is when I realized how difficult this was going to be. I called the local police for help. I called the attorney general's office, the FBI, ICE, the postal inspector's office, the FTC, and the IRS. I made over 100 phone calls trying to get someone to help me get this to stop and to explain what was happening to my dad. I was told repeatedly that this was not something that they dealt with, they had no jurisdiction in Jamaica, there were not enough agents to investigate cases like this and to just make my dad stop on my own. I felt like I had nowhere to turn and I couldn't get my dad to believe me that he was being scammed. I felt like I was watching my dad and his life unravel right before my eyes and I had no idea how to stop it.

The only place I found some help was with FairPoint Communications' security team and Chief Deputy Bill King from the York County Sherriff's Office in Maine. They instructed me to get his number changed to an unpublished number, which we did. They explained how this cruel scam worked and told me that it would be difficult to get it stopped.

I had to leave my dad a few days later, not being able to get him to promise that he wouldn't contact Diane. He seemed to think that she had nothing to do with any scammers. He wouldn't tell me how much money he'd sent. I figured it must be roughly \$10,000 by now. I was very wrong about that figure.

Over the next few months I called his credit card companies, banks, and the post office where he lived and told them about what was happening to him. I begged them to help me figure out how to put a stop to this. With weak assurances from my dad that everything was alright, I had to trust him that he was stopping on his own.

In late May while in Cape Cod for my sister's wedding, my dad arrived at the hotel with his cell phone in hand. Then shortly after, he was in the yard outside yelling at someone on his phone. It felt like someone hit me in the stomach. I realized that in the middle of my sister's wedding week, my dad was still being scammed for now what must have been 5 months or more.

In early June when we returned from the wedding, I again contacted FairPoint and Bill King for help. Bill contacted me back that same day with a voice recording they had just received of a Jamaican scammer impersonating my dad to FairPoint, trying to have my dad's number changed again. When pressed for the verbal password, he quickly talked about how stressed he was and how little sleep he was getting because he was being scammed and receiving calls day and night pressuring him for money. He couldn't remember where he'd put the notebook with the password in it and that he could provide my Dad's Social Security number and date of birth, which he promptly did. I was horrified listening to this man pretending to be my dad, clearly using the very things that my dad and other victims probably told him about being stressed out and how he was ready to have a nervous breakdown over all of this. I realized quickly how professional and how complicated this scam really is.

I told Bill that I would get to my dad's as soon as possible. I left my family, my now ill husband and went to my dad's. I arrived on a Sunday morning while he was at church and gathered all of the things I could possibly find that had to do with this scam. I found many, many bundled envelopes of Green Dot money pack cards with receipts from Walmart attached, scraps of paper with names, addresses and phone numbers frantically written in barely legible handwriting, lists of other names, and postal return receipt requests. Some of the names were of supposed IRS, FBI, Treasury Department and Better Business Bureau people. Others appeared to be other possible victims whom he likely sent money to. His house was in shambles, paper everywhere, pipe tobacco all over the floor and counters. There was nowhere to sit, the table and counters were covered. I had never seen his house in such a state. He had the phone unplugged to stop the incessant calls that were now coming in day and night, between 85-100 times a day. When I plugged the phone in to contact one of his credit card companies, there was a scammer on the line asking for my dad, claiming to be his brother. I screamed into the phone, filled with rage at this person who was doing this to my dad and to my family. I lied and told him that the police and FBI were coming for them, and that it was only a matter of time. He swore at me, at the police and to the FBI and slammed the phone down.

I called the local police and told them what a state my dad was now in, that he was shaking now violently, that he had lost over 25 pounds since his surgery in April and was talking of likely dying and/or having a nervous breakdown. I filed a self-neglect report to DHHS to try to get someone to help with this. They all told me there was little they could do. I contacted my dad's lawyer and we were able to get him to agree to at least update his Power of Attorney and Trust documents in case we couldn't get him to stop completely. We were lucky he agreed to do this. I was afraid we'd have to take him to court to keep him from losing everything. This is what I was told would likely happen, by Bill King and FairPoint security.

I got my dad to stop but it took literally cutting his phone line with a pair of scissors to keep him from calling Diane one final time. I had to call the police to have them come and tell him that he needed to come home with me for a while or that they would take him to the hospital to have him evaluated. It was humiliating for him and for me. It was the most traumatic time for my family, husband and kids. We had to have an intervention-type meeting with my dad at the FairPoint

offices in Maine, to walk him through another victim's story to get him to see that he wasn't the only one that this was happening to. I begged, pleaded, cried and yelled through all of this and he still called Diane one final time, to see if she would meet him at the local post office with a check. He went there and waited but nothing happened. He returned home heartbroken, and called with the final phone number for Dianne. This was the one phone number he'd refused to give up to us.

When I handed the calculator to my dad after combing through all of the credit card bills, bank statements and stacks and stacks of used Green Dot money pak cards, he totaled up over \$85,000 lost to the Jamaican Lottery Scam. He sat there, hands shaking, pale and speechless. Not a penny would he get back.

I am here for my Dad who is no longer the strong, self-assured, healthy man he was prior to this. The military pilot who proudly served his country. The retired commercial airline pilot who flew for 36 years. The oldest son of 7 who helped take care of his family when his dad passed away on his 19th birthday. The man who protected and could account for every cent, who never liked to owe money or couldn't bear the thought of not balancing a checkbook to the penny. That man is now uncertain, overwhelmed, financially strained and fragile. That man now has had part of the American dream that he worked so hard for, all of his life, cruelly robbed from him.

He feels like I do, he wanted so badly to help others with the money he'd won, now he just wants to help others not have this happen to them. We have to stop this. These are our parents, grandparents, aunts and uncles. They deserve to be protected, not dismissed or minimized. They are one of our most vulnerable populations and they are in our care now. We have to do something or this will continue to get worse. I've heard them. These scammers are arrogant, professional and cruel. They've since managed to re-route 2 of his Social Security Checks into other banks and even called my dad's local police department and the post office claiming to be a nephew trying to reestablish contact. Clearly they are operating without any concern of being caught. They know they can get away with it. How can we let that happen?

I have learned a lot this year. I, like my dad am not the same person I was a little over a year ago. I know now that we have to do something and it is not something

that simply FairPoint, Bill King, you or I can fix alone. This will take all of us calling stores with money transfers and prepaid cards and asking management to train customer service staff how to ask questions and offer help to suspected victims, to ask companies not to share address lists (aka. sucker lists) without the consumer's permission, to talk to our friends and families about scams. It will take all of us to ask for phone companies to protect their customers by figuring out ways to really block 876 numbers, to make "masking" overseas and other numbers illegal and to be able to put some teeth back into consumer protection through the postal system and through internet providers. I ask this committee to help make it possible to investigate, prosecute and extradite these criminals who are domestic and abroad and to help us protect and educate our most vulnerable citizens. Please make this a priority. I ask you on behalf of my father and all of the other victims who are out there, and for their families who are suffering from this as well. Please do something. Thank you again for allowing me to be here today to tell Dad's story. My family very much appreciates the careful consideration we know that you will give this matter.